

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice FI-2497

For: State and County Offices

**Processing Payments for NRCS-Administered Soil
and Water Conservation Assistance Program (SWCAP)**

Approved by: Deputy Administrator, Management



1 Overview

**A
Background**

Section 211(b) of the Agricultural Risk Protection Act of 2000 (Pub. L. 106-224), authorizes the Secretary of Agriculture to use approximately \$40 million of CCC funds for soil and water conservation assistance. Of the \$40 million available, \$20 million was apportioned May 24, 2001, under CCC's borrowing authority in FY 2001 for SWCAP. SWCAP is being administered by NRCS. The remaining \$20 million authorized in Pub. L. 106-224 was apportioned for the NRCS-administered Farmland Protection Program.

NRCS and FSA have entered into a memorandum of understanding whereby payments for the NRCS-administered portion of AMA will be issued by FSA County Offices based on payment certification by NRCS.

**B
Purpose**

This notice:

- provides program codes to be used for issuing payments for SWCAP
- provides procedures for obtaining NRCS certification of payments to be made.

**C
Contact**

If there are questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact Debbie Simmons, FMD, at 703-305-1309.

Disposal Date

April 1, 2002

Distribution

State Offices; State Offices relay to County
Offices

2 NRCS Responsibilities for SWCAP

A

Contract Administration

NRCS has contract administration responsibility for SWCAP. This includes:

- entering into a contract with the participant at the local level
 - maintaining the contract file
 - providing technical assistance to the participant
 - ensuring that the terms of the contract are completed
 - presenting the certified application for payment when an amount is payable
 - controlling payment limitation.
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B

Funds Control

NRCS has funds control responsibility for SWCAP. This includes:

- maintaining the allocation
- ensuring funds availability before entering into a contract
- ensuring funds availability before certifying an application for payment
- monitoring slippage.

At the national level, NRCS will provide FSA with the amount of funds obligated and deobligated.

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2 NRCS Responsibilities for SWCAP (Continued)

C

Payment Certification

The Chief, NRCS, has:

- authority to certify that CCC payments shall be made for SWCAP
- delegated this authority to the NRCS State program specialist and financial managers who have responsibility for SWCAP.

Note: NRCS does not have authority to disburse CCC funds.

The designees will provide FSA County Offices, within the State, an original signature on a statement accepting the delegation of authority.

When an agreement or contract is eligible for payment, the NRCS designee will certify and approve CCC-1245 for CCC. The certified CCC-1245 is the expenditure document authorizing payment to be issued. NRCS will provide the certified CCC-1245 to the FSA County Office where the land is administered.

D

Assignments

SWCAP payments are assignable. NRCS will provide CCC-36 if the payment is to be assigned.

E

Determining Refunds Necessary

NRCS will determine any refunds necessary because of contract violations. If a refund is necessary, NRCS will notify the participant and the FSA County Office in writing of the violation and the amount to be refunded.

3 FSA County Office Processing of Payments

A

NRCS Certification of Payment

NRCS will provide County Offices with the original signatures of NRCS employees designated as eligible to certify and approve payments for CCC.

When payment is due, the NRCS designee will certify that the payment is due and will provide approval for making the payment. NRCS certification and payment approval will be provided to the County Office on CCC-1245.

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3 FSA County Office Processing of Payments (Continued)

B

Issuing Payment Based on CCC-1245 FSA County Offices shall issue payments for SWCAP based on CCC-1245. This table provides the steps to follow to issue payments.

Step	Action
1	<p>Receive CCC-1245 from NRCS.</p> <p>Note: CCC-1245 may be mailed, hand delivered, or FAXed. It will be FAXed only under unusual circumstances or if mailing would result in incurring prompt payment interest penalty. When it is FAXed, the original shall be mailed the same day.</p>
2	<p>Compare the signature on the delegation to certify authority to the signature in block 25, "Payment Approved (initials)", to ensure that CCC-1245 is properly certified by the NRCS designee. If CCC-1245 is:</p> <ul style="list-style-type: none">properly certified, continue to step 3not properly certified, contact the NRCS office. Do not issue payment until CCC-1245 is properly certified. <p>Note: For internal control purposes, if CCC-1245 is FAXed, telephone the certifying officer to confirm the authenticity of the certification.</p>
3	<p>Determine whether the participant is in the County Office Producer Name and Address File. If the participant is:</p> <ul style="list-style-type: none">in the file, continue to step 4not in the file, enter the participant in the County Office Producer Name and Address File according to 1-CM and continue to step 4.
4	<p>Determine whether the participant is in the County Office Direct Deposit Function File. If the participant is:</p> <ul style="list-style-type: none">in the file, continue to step 5not in the file, request the financial institution information for making the payment by EFT or a waiver certifying the participant does not have an account with a financial institution. When the financial institution information is received, enter the information in the County Office Direct Deposit Function File according to 1-FI. Continue to step 5.

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3 FSA County Office Processing of Payments (Continued)

B
Issuing Payment
Based on
CCC-1245
(Continued)

Step	Action
5	<p>Enter payment data through the Accounting Check Writing Application according to 1-FI, Exhibit 26.</p> <ul style="list-style-type: none"> • Enter program code "01SWCAP". • The payment amount is the amount in block 20, "Total Cost-Share/Incentive Earned". <p>Note: Blocks 22, "Offset", and 23, "Claim/Receivable", must be withheld from the payment during the payable processing.</p> <ul style="list-style-type: none"> • On Screen ANK33510, enter the 14-character alpha-numeric agreement or contract number. • Allow the payment to be offset for any amounts due CCC or other Agencies. <p>Note: Offsets not shown in block 22 or 23 must be written on the back of CCC-1245.</p>
6	<p>County Office employees signing and countersigning the disbursement shall verify that the payment data is in agreement with CCC-1245. Mail the original Producer's Disbursement Transaction Statement to the participant.</p> <p>Note: If payment was made by CCC-184 rather than EFT, include the original CCC-184 with the Producer's Disbursement Transaction Statement.</p>
7	<p>Attach CCC-1245 to the FSA copy of the Producer's Disbursement Transaction Statement, and file in Agreement/Contract Number order. Use file code FM-18, "NRCS Administered Programs".</p>

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3 FSA County Office Processing of Payments (Continued)

C

Collections for SWCAP

NRCS will notify the County Office and the participant if a participant must refund any portion of a payment for SWCAP. Upon receipt of a copy of the initial notification letter, the County Office must enter the information in the Common Receivable System according to 67-FI. Follow debt collection procedures in 58-FI after NRCS provides the initial notification letter. If a collection is received before the receivable is established, the collection shall be processed according to 3-FI.

The following program codes shall be used for receivables or collections:

- “01SWCAP” if the collection is a refund
 - “01SWCAPLIDA” if the collection is for liquidated damages.
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D

Prompt Payment Interest Penalty

SWCAP payments are subject to the Prompt Payment Act. County Offices shall determine prompt payment interest penalty according to 61-FI. If prompt payment interest penalty must be paid, use program code “INTPEN”.

The payment due date is 30 calendar days after NRCS receipt of the participant’s certification. If CCC-1245 is prepared by NRCS rather than the participant, the payment due date is 30 calendar days after NRCS certification.

Payments are to be made within 2 workdays of receipt of CCC-1245 from NRCS. Payments are **not** to be withheld until the due date.

E

IRS Reporting

SWCAP payments will be included on the same CCC-1099-G as FSA program payments.

F

Recording Work Measurement and Workload

Services provided by FSA to process SWCAP payments for NRCS will be recorded in work item 207. See 12-AO (Rev. 17).
